

FINANCE COMMITTEE REPORT



SPECIAL TOWN MEETING
TUESDAY, JUNE 18, 2024

SPECIAL TOWN MEETING

PLAN TO ARRIVE EARLY

All Town Meeting attendees must be checked into the meeting in the lobby of the Collins Center on June 18th. You may check in at any table. Although not required, having your license available will make the check in process faster for you. Upon check in you will receive an electronic voting device, fondly referred to as your “clicker”. You will use this to electronically record your votes during Town Meeting.

Voters: Only voters who registered by the deadline (June 8th) will be allowed to vote at this Town Meeting. Voters will receive a sticker that must be worn in a visible location on their person to be allowed into the meeting.

Non-Voters: at the will of the meeting, non-voters may be allowed to attend the meeting IF a vote to all Non-voters is affirmed. If allowed, non-voters will be seated in a separate section designated by the Moderator prior to the start of the meeting. Please note, depending upon space and substance, non-voters may be located in an area other than the auditorium. Non-voters must check in at the Town Clerk’s table in the lobby to register before being directed where they can sit. Please be aware that non-voters will not be seated until after 7:00 P.M. when they are voted admittance by Town Meeting.

Children: Children may enter the meeting as non-voters. *See above.* Parents must attend to small children during the meeting and sit with them in the designated non-voter section. Voters (with visible stickers) may vote from the non-voter section. Please notify the section counter if you are a voting member. No children or non-voters may sit in the registered voter sections.

Parking: There are several parking lots available:

- | | |
|---------------------------|--------------------------------|
| 1. Collins Center Lot | 2. Main Lot at the High School |
| 3. West Middle School Lot | 4. Lot beside the Field House |
| 5. Red Spring Road Lot | |

In the interest of time on the night of the meeting, let me review some housekeeping items here.

1. During the meeting, please silence phones and devices.
2. There is no eating in the auditorium.
3. On the stage will be:
 - a. To my right, your left the School Committee, the Select Board, the Deputy Town Manager, the Chief Administrative and Financial Officer and the Town Manager.
 - b. To my left, your right: the Finance Committee, Town Counsel, and the Town Clerk
4. **OMBUDSMAN:** To your right, on the floor by the entrance will be the Ombudsman who will help you with the wording of any amendments you wish to make.
5. Please be mindful that if your point has been made by someone else, PLEASE do not repeat it. This will afford us the opportunity to hear as many different points of view as possible.
6. When speaking at the mic, please face me so that the cameras can pick you up and others can see you on the screens.
7. If you are unable to get to a mic because of a physical challenge, please let us know and we will get a handheld mic to you.
8. **DISCLOSURE:** A reminder to everyone; any person having a monetary or equitable interest in any matter before the meeting or employed by anyone having such an interest shall disclose the fact before speaking to that article wherein their interest lies
9. **WHEN ADDRESSING THE MEETING:** The meeting is being recorded. You MUST identify yourself with name and address. Members of the stage, please do the same.
10. **MOVING THE QUESTION:** I will accept a motion to move the question from anywhere in the room, however, you must be recognized, and the motion must be seconded. This motion calls for a vote from the assembly to end discussion. As is my responsibility, I will weigh whether I feel enough balanced discussion has taken place before accepting a Motion to Move the Question.
11. All questions from the floor are to be directed to the Moderator.
12. **AMENDMENTS:** If you are not the sponsor of an article and wish to amend an article, I may ask you to wait until there has been some discussion before offering your amendment; this way the meet has an opportunity to get a sense of the article as submitted before it is being amended.
13. **PRESENTATION SLIDES:** If you are having difficulty reading some of the slides, the article and motions slides will be available on the Town Website. You can access them from home on your phone or devices, as well as accessing there here in the auditorium if you have difficulty seeing numbers and details, they are available at www.andoverma.gov/TownMeeting.

Throughout this meeting, please keep this in mind:

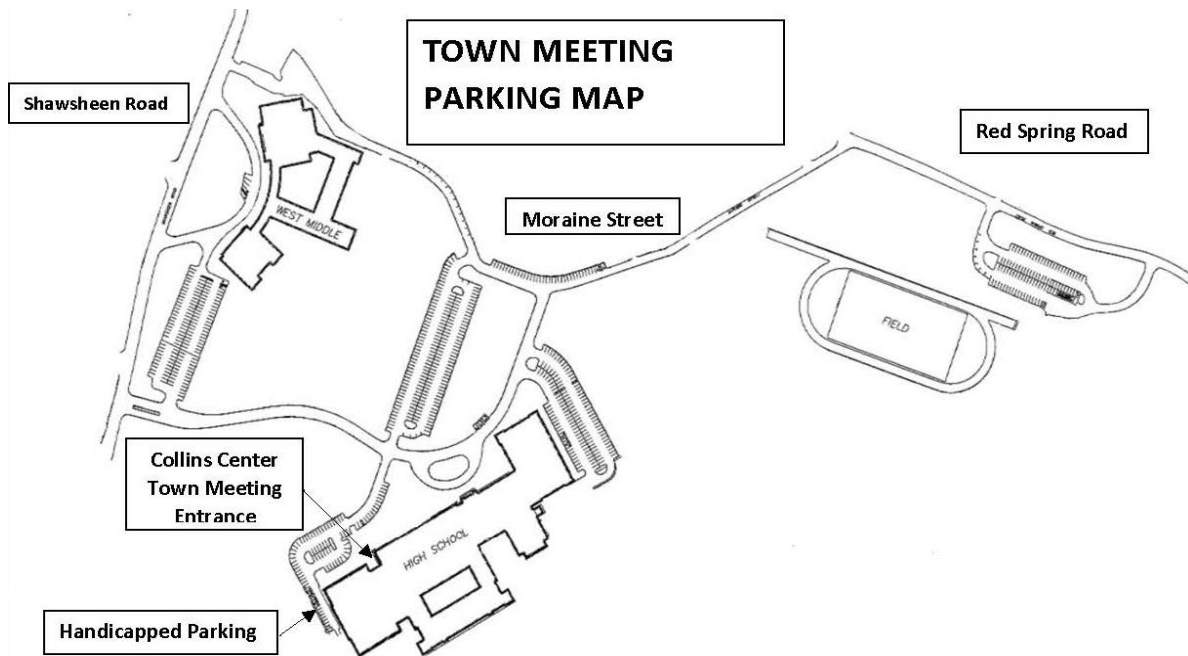
- There is an immense gap between saying, “I am right” and saying, “I believe I am right”.
- Let me remind us ALL that a Hallmark of what makes Andover the community it is, is that in the end, caring for each other in THIS community has always been of far greater importance than any differences that we have.

As you all know, I trust and count on the collective wisdom of the Town Meeting. I will do my best to move debate along, to be as fair as possible to all attendees and to finish the business of our Town in this session. I look forward to seeing you all there!

Sincerely,

Sheila

Sheila M. Doherty
Town Moderator





TOWN OF ANDOVER

36 Bartlet Street
Andover, MA 01810
www.andoverma.gov

May 31, 2024

To the Citizens of Andover:

The Finance Committee (FinCom) recommendations in this report are meant to help voters make well-informed decisions at the Special Town Meeting (STM), which will be held on **Tuesday, June 18, 2024 at 7:00 pm**. The STM Warrant contains three Articles:

- **Article 1** seeks to transfer **\$1,591,913** from Free Cash to increase the School Department FY 2025 operating budget to **\$104, 353, 334**.
- **Article 2** proposes reinstating the original FY 2025 school operating budget of **\$102,478,334**, as originally presented at the Annual Town Meeting (ATM) on April 29, 2024, while also adding **\$283,087** from additional Chapter 70 funds for a total school budget of **\$102,761,421**.
- **Article 3** seeks to appropriate the sum of **\$121,323** from additional Chapter 70 funds to the Finance Committee Reserve Fund.

By way of background, the FinCom reviewed the Town Manager's proposed FY2025 budget and unanimously recommended approval on March 7, 2024 ahead of the ATM, which took place on April 29, 2024. This included a recommended budget for the School Department of \$103,335,959, which represents an increase of \$3,735,035 or 3.75% over the FY2024 appropriation. **Net of transfers to the Town, the school budget total was \$102,478,334**. This was consistent with the Town Manager's recommended increase. The Town Manager develops his annual budget in accordance with Proposition 2½ while making reasonable assumptions regarding new growth, local receipts, and state aid.

According to the School Committee, the Andover Public School District was facing a \$2,709,039 deficit as a result of increases in the costs of transportation, out-of-district special education tuition, utilities and compensation for unionized staff under recently settled collective bargaining agreements. Ultimately, the School Committee voted unanimously on March 7, 2024, to support a budget that reflected a 2% reduction in non-salary items; a 2.5% increase in preschool tuition, which has not increased in 10 years; and a reduction in headcount by approximately 34.25 full-time equivalent employees (FTEs). Going into the ATM, the School Committee, Finance Committee and Select Board unanimously voted to recommend approval of the budget presented to the voters at the ATM. Furthermore, the Superintendent of Schools, Dr. Magda Parvey, has continued to state publicly that the consensus budget meets the needs of all students, maintains a high quality of education, and continues to move the district forward without reductions in key services.

However, on the floor of the ATM, private citizens proposed two amendments to the school budget:

- 1) Increase the school budget by \$2,709,039, which was voted down by residents by a margin of 37 votes.
- 2) Increase the school budget by \$1,875,000, which was voted for by residents by a margin of 25 votes.

With the increase to the school budget, expenses exceeded projected revenue by \$1,875,000. As such, the ATM closed with an approved budget that was unbalanced. Since the Town's budget must be balanced

before the Massachusetts Department of Revenue can certify the tax rate, the voters must come to a budget resolution at the STM on Tuesday, June 18, 2024.

Since the ATM occurred on April 29, the Commonwealth of Massachusetts has indicated that cities and towns would be receiving additional funds from Chapter 70, which is the primary state aid program for public elementary and secondary schools, to help support educational needs. As such, the Town is expected to receive an additional \$404,410. Of this amount, 70% or \$283,087 will go directly to the School Department's operating budget, and the remaining 30% or \$121,323 will go to the Finance Committee's Reserve Fund for unforeseen expenses.

As options to balance the budget and utilize the additional Chapter 70 state aid, the Select Board has proposed the following Warrant Articles:

Article 1 seeks to transfer **\$1,591,913 [\$1,875,000 - \$283,087 from additional Chapter 70 state aid]** from Free Cash to increase the school's FY 2025 operating budget to **\$104, 353, 334**.

Free Cash is the Town's fund balance after all expenses are paid. It serves as the Town's reserve account to be used for one-time expenses, capital expenditures and unforeseen events or emergencies. **The Department of Revenue recommends that these funds not be used for any type of recurring costs such as salaries or other operating expenses.** Using reserves to fund recurring expenses such as salaries is not fiscally responsible or sustainable. In a short period of time, Andover's reserves would be depleted and the necessary reductions to balance the budget would most likely be far greater than what has been considered as part of the FY2025 budget. Additionally, depleted Free Cash means that funds may not be available to offset unforeseen expenses or costs associated with the Town's response to emergencies or weather events. This could result in a revenue deficit that would have significant impacts on the Town and school operating budgets.

When casting your vote for Article 1, please keep in mind that an allocation from Free Cash will NOT permanently fix the deficit in the school budget. In fact, the School Department is already forecasting an additional \$1,750,000 budget shortfall in FY 2026. Using Free Cash to meet the FY2025 revenue shortfall will make the FY2026 deficit worse.

The tables below illustrate the use of Free Cash as a school budget funding source and how it would impact the Town's Free Cash balance over time. **As shown in the second table, if Free Cash were to be used to address recurring expenses in the school budget, it would be completely depleted by FY2028 and the balance would run a deficit.**

School Budget Funding Sources	FY 25	FY 26	FY 27	FY 28	FY 29
General Fund Appropriation	\$102,761,421	\$106,614,974	\$110,613,036	\$114,761,025	\$119,064,563
Free Cash Appropriation (FY25)	\$1,591,913	\$1,651,610	\$1,713,545	\$1,777,803	\$1,844,471
Free Cash Appropriation (FY26)		\$1,750,000	\$1,815,625	\$1,883,711	\$1,954,350
Total School Budget	\$104,353,334	\$110,016,584	\$114,142,206	\$118,422,539	\$122,863,384

Free Cash	FY 25	FY 26	FY 27	FY 28	FY 29
Starting Balance	\$14,919,306	\$12,192,393	\$7,940,783	\$3,561,613	-\$949,901
Less Capital	(\$2,035,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
Less Deficits	(\$750,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Less School Operating	(\$1,591,913)	(\$3,401,610)	(\$3,529,170)	(\$3,661,514)	(\$3,798,821)
Ending Balance	\$10,542,393	\$6,290,783	\$1,911,613	(\$2,599,901)	(\$7,248,722)

Assumptions used in this analysis: \$1,650,000 added to Free Cash in each year (the average since 2018); assumes using Free Cash for capital expenses in each year, consistent with current and best practices for the use of these funds, and assumes \$750,000 for deficit reductions in FY25 and \$500,000 in every other year - is consistent with the use of Free Cash to resolve deficits such as Snow and Ice expenses or unforeseen, one-time expenses.

Free Cash or reserve funding is a key indicator of financial flexibility and a metric that bond-rating agencies look at when evaluating the Town's credit worthiness. Historically, Andover's Free Cash balance has been lower than comparable communities. Currently, Andover's Free Cash balance is approximately 6.4% of the operating budget. The average of comparable AAA rated communities is approximately 10% of the operating budget, and the state average is currently 8.6%. Accordingly, the Town is not keeping an overabundance of funds in Free Cash.

As such, given the Town's modest level of Free Cash, a decision to use these funds to support the School Department's operating budget could have long-term ramifications for the Town. This decision would jeopardize our AAA rating status, making it difficult to plan for future capital projects and making it more expensive to pay for capital investments due to increased borrowing costs.

As a result of these findings, the members of the FinCom unanimously recommended disapproval of Article 1.

Article 2 proposes reinstating the original FY 2025 School Department operating budget of **\$102,478,334**, as presented at the ATM on April 29, 2024, while also adding **\$283,087** from additional Chapter 70 state aid for a total school budget of **\$102,761,421**.

The School Committee Chair, in her letter to the ATM, stressed support for the consensus budget. **Article 2** presents to voters the original consensus budget plus additional state aid. This budget figure addresses contractual obligations with the district's collective bargaining employees and its transportation vendor. It also stipulates continuing curriculum development work (including for multilingual learners), social studies experiential learning, and evaluation of a new middle school schedule. Furthermore, the budget provides for the redistricting work associated with the opening of the new West Elementary School; adds support for incoming ninth graders through a "step-up academy" and transition events; and replaces failing copiers at Bancroft Elementary. Finally, the budget maintains support for students' emotional and behavioral needs by incorporating positions into the operating budget that were previously funded through Elementary and Secondary School Educational Relief (ESSER) grants.

The School Department's focus on the well-being of students has been largely overshadowed by the impact declining enrollment has had on staffing; and this has caused much confusion and debate throughout our community. The fact is that enrollment has declined significantly over the past 10 years—11% or 662 students—while staffing has increased by 99.75 FTEs over the same period. Moreover, declining enrollment is a trend that is expected to continue for the foreseeable future. As a result, the school operating budget can no longer sustain, and need not continue, the current level of staffing – and a one-time or even multi-year transfer from Free Cash is not going to permanently fix this problem. In order to adjust to this shifting landscape, the School Department initiated targeted reductions in headcount, particularly where fewer students in a certain grade or subject require lower staffing levels. Most of the reductions come from retirements or employees seeking other opportunities; however, there are some employees with non-professional teachers status who will not be reinstated.

At the May 28, 2024 Tri-Board Meeting of the FinCom, School Committee and Select Board, Dr. Parvey, restated her support for the original school budget as approved on March 7, 2024 and presented at the ATM on April 29, 2024. She also reaffirmed that this budget meets the needs that the district and school leaders prioritized during the budget process. This includes maintaining programs and services for students, particularly high-quality instruction in every subject, at every grade level and in every school despite the need to reduce expenses. She reiterated that this is a responsible budget that continues to move the district forward.

As a result of these findings, the members of the FinCom unanimously recommended approval of Article 2.

Article 3 seeks to appropriate the sum of **\$121,323** from additional Chapter 70 state aid to the Finance Committee Reserve Fund.

The Finance Committee Reserve Fund is funded each year as part of the Town budget in the amount of \$200,000. These funds are used for unforeseen expenses. The Finance Committee must vote to release any funds from this account. Recently, the Reserve Fund has been used for costs related to STMs, and unexpected maintenance to a school boiler. These funds do not carry over between fiscal years. The amount recommended for this appropriation is 30% of the additional chapter 70 state aid that Andover is expected to receive, which is \$121,323. This proportion is consistent with the Town of Andover budget model related to revenues and expenses for the Town and School budget.

As a result of these findings, the members of the FinCom unanimously recommended approval of Article 3.

IN CONCLUSION

Since this is the fourth independent STM for Andover within the last 18 months, the FinCom feels that it is important to reiterate for taxpayers the costs associated with having a STM. The total amount for a STM is approximately \$50,000. This includes the rental fee for handheld electronic voting devices and other accompanying costs.

The FinCom's role is to receive the Town's budget from the Town Manager and Chief Administrative and Financial Officer, review it and hold open meetings throughout the year for public consumption. This responsibility extends to issues of a financial nature that are proposed at a STM. The FinCom recommendations provided in this report are intended to help voters make well-informed decisions at the STM. Our goal is to recommend a budget that is fiscally responsible, sustainable, and clearly communicated.

We would also like to remind voters of the "FinComReport" link (www.andoverma.gov/FinComReport) where additional financial information and reference guides can be found.

We appreciate the concerted effort made by our colleagues who worked collaboratively through the abbreviated amount of time leading up to STM. Thank you to all who made themselves and their data available to assist us in the preparation of this report. Please note that the information used in this report was current when it went to print. Any data that may change prior to the STM will be identified and explained then.

Please join us at Special Town Meeting on June 18, 2024. Your participation is very important.

The Finance Committee

Paula Colby-Clements, Chair

Kim Perry, Vice-Chair

**Aaron Buzay
Paul MacKay**

**Yican Cao
Brian Major**

**William Haskell
Andrew McBrien**

W A R R A N T
THE COMMONWEALTH OF MASSACHUSETTS
ESSEX, SS.

To Either of the Constables of the Town of Andover

Greeting:

In the name of the Commonwealth you are hereby required to notify and warn the Inhabitants of said Town who are qualified to vote in Town Affairs to meet and assemble at the J. Everett Collins Center for the Performing Arts, Andover High School, 100 Shawsheen Road, in said Andover, on

TUESDAY, THE EIGHTEENTH DAY OF JUNE, 2024

At seven o'clock P.M. to act upon the following articles:

FISCAL YEAR 2025 OPERATING BUDGET TRANSFER FROM FREE CASH
--

ARTICLE 1. To see if the Town will vote to transfer from available free cash the supplemental sum of \$1,591,913 to the FY2025 Operating Budget, as previously voted under Article 4 of the Annual Town Meeting held on April 29th, 2024, to fund the amounts previously appropriated for the Fiscal Year beginning July 1, 2024 and ending June 30, 2025, for a total amount of \$104,353,334 for the Andover School Department; or take any other action related thereto.

Your Vote: Yes__ No__

The SELECT BOARD voted 5-0 to recommend disapproval.
The SCHOOL COMMITTEE voted 3-2 to recommend disapproval.
The FINANCE COMMITTEE voted 5-0 to recommend disapproval.

On request of the Select Board

FISCAL YEAR 2025 SCHOOL DEPARTMENT OPERATING BUDGET OPERATING BUDGET

ARTICLE 2. To see if the Town will vote to appropriate, including appropriations from available funds, to defray charges and expenses of the Town, including debt and interest, and to provide for a reserve fund for the Fiscal Year beginning July 1, 2024 and ending June 30, 2025, the sum of \$102,761,421 for the Andover School Department; or take any action related thereto.

Your Vote: Yes__ No__

The SELECT BOARD voted 5-0 to recommend approval.
The SCHOOL COMMITTEE voted 5-0 to recommend approval.
The FINANCE COMMITTEE voted 5-0 to recommend approval.

On request of the Select Board

FINANCE COMMITTEE RESERVE FUND APPROPRIATION

ARTICLE 3. To see if the Town will vote to appropriate the sum of \$121,323 to the Finance Committee Reserve Fund; or take any action related thereto.

Your Vote: Yes __ No __

The SELECT BOARD voted 5-0 to recommend approval.

The SCHOOL COMMITTEE voted 5-0 to recommend approval.

The FINANCE COMMITTEE voted 5-0 to recommend approval.

On request of the Select Board



TOWN OF ANDOVER

Select Board

36 Bartlet Street

Andover, MA 01810

www.andoverma.gov

May 31, 2024

Dear Andover Voters:

Our community concluded our Annual Town Meeting in May with a budget deficit following an amendment from the floor to increase the School Department Budget by \$1,875,000 over the sum requested by the School Department, consistent with the Long-Range Financial Plan. This amendment received a narrow majority of voters at Town Meeting – 476 to 451 votes. Because no funding source was identified at that time, a Special Town Meeting has been convened for Town Meeting to address two articles regarding the School Department Fiscal Year 2025 (FY25) budget and their funding source. Under state law, the Town must address this problem prior to setting the tax rate this fall.

While Town Meeting does not have the power to direct how the School Budget is spent, the amendment sought to provide additional funds to retain more teachers in light of anticipated staff reductions, due to the increases in the union contracts for several education employees in resolution of the strike in November, 2023. This Special Town Meeting is necessary to balance Andover's FY25 budget by either transferring money from a reserve fund known as "free cash" to meet the deficit (Article 1), or by voting a lesser total School Budget (Article 2) to eliminate the deficit (Article 2).

The Select Board voted to place both options on the warrant even though the Board only recommends that Article 2 be approved by Town Meeting. Article 1 was placed on the warrant because the Board wishes to respect the prior Annual Town Meeting discourse and offer advocates for increased spending the opportunity to make their case. The passage of either article will create finality in our FY25 budget process in advance of the start of the new fiscal year on July 1, 2024. Nonetheless, **the Select Board and the Finance Committee unanimously voted to support Article 2, as well as the majority of the School Committee, as the solution to balance our budget.**

Article 1

Chief among the Board's reasons to recommend against Article 1 is a commitment to the fiscal policies which have served Andover well in providing Town and School services within a disciplined budget. Staff reductions to any department, let alone schools are always difficult. "Free Cash" is a tempting source of funding to avoid such pains, but it is essentially a savings account best used for one-time costs and emergencies. The Department of Revenue described "Free Cash" as "a nonrecurring revenue source, ... [that] should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves." And further "recommends that communities adopt a free cash policy that avoids supplementing current-year departmental operations. By eliminating the expectation of additional resources later in the fiscal year to backfill budgets, department heads will produce more accurate and realistic annual appropriation requests."¹

Andover's current Free Cash balance represents approximately 6.4% of our budget. The town's bond rating agency recommends a balance of 8%, which is just under the statewide average Free Cash balance of 8.6%. Further, as the Town Manager explained to the Tri-Board, use of \$1.87 million in free cash to fund recurring costs (school positions) would exhaust such reserve in a matter of three years, at which point even greater and more abrupt service reductions would be likely. For these reasons and others, **the Select Board unanimously recommended disapproval of Article 1.**

¹Free Cash, Division of Local Services, Department of Revenue, February 2016. Also available through Andover's website at <https://andoverma.gov/950/Free-Cash>.

Article 2

The Select Board voted unanimously to recommend approval of Article 2, which would revise the School Budget to the amounts previously recommended by the School and Finance Committees plus additional unanticipated state aid.

The Select Board is convinced that the consensus budget previously recommended by the Select Board, School Committee and Finance Committee, particularly as increased by unanticipated state aid and mitigated by staff retirements, reassignments, and declined student enrollment, will sufficiently provide for our student needs. While we must ultimately defer to the School Department and School Committee's judgment, we also trust that judgment and their work since December of 2023 to develop the School Budget priorities.

In sum, the Board recognizes there are earnest and significant disagreements on the difficult choices we face in budgeting. While we respect the residents who propose to supplement the School Budget from Free Cash and want them to be able to advocate their position to Town Meeting, we strongly recommend a more disciplined budget where recurring costs are only funded by recurring revenues. **Accordingly, we urge your support for Article 2 – the revised consensus budget at the June 18th Special Town Meeting.**

Article 3

Article 3 recognizes that the additional state funding received by the Town is applicable to both Town and School Departments, by placing \$121,323 into the Finance Committee Reserve Appropriation. This accounts for the 30% of the additional Chapter 70 funding which supports education through the Town's budget. **The Select Board, Finance Committee, and School Committee all voted unanimously to recommend approval of Article 3.**

The Board recognizes that these budgetary issues have challenged the community over the last weeks and months. The Select Board is grateful for its residents involvement in this process and the continued balancing of fiscal responsibility and ensuring an exceptional education for Andover's children.

Very truly yours,

Laura M. Gregory

Laura M. Gregory
Chair, Andover Select Board

SCHOOL COMMITTEE

Lauren M. Conoscenti, Ph.D. – Chair
Sandis Wright – Vice Chair
Emily DiCesaro
Lauren Diffenbach
Sauna Murray



Magda Parvey, Ed.D.
Superintendent of Schools

To the Citizens of Andover,

May 31, 2024

The June 18, 2024 Special Town Meeting asks voters to consider two articles relevant to the FY 2025 School Department Operating Budget.

At Town Meeting on April 29, 2024, a resident proposed a floor amendment to increase the School Department's Fiscal Year 2025 (FY25) operating budget by \$1,875,000. Voters in attendance voted 476 to 451 in favor of this amendment prior to voting the budget. Because no funding source was identified, Town Meeting concluded with an unbalanced budget. This must be resolved prior to setting the tax rate in the fall.

FY25 Budget Background

The School Department's original FY25 budget was the product of many months of careful analysis and planning. Work to develop the budget began in the fall and in accordance with the Town of Andover's and School Department's long range financial plan. The budget was refined over a series of public meetings between December and March. Members of the public had opportunities to ask questions and voice concerns in regular meetings, monthly "informal forums" (open meetings with no agenda, hosted by two School Committee members), and a public budget hearing on February 8, 2024. In March, the School Committee unanimously voted to approve the budget, which was also supported by the Select Board and the Finance Committee.

This consensus budget represented a 3.75% increase over the FY24 operating budget and is aligned with the Town Manager's recommended increase. However, increases in transportation costs, out-of-district special education tuition, utilities, and compensation for unionized staff under recently settled collective bargaining agreements created a deficit of approximately \$2.7 million. To balance this, the School Committee supported a combination of non-salary reductions and a staffing reduction of approximately 34.25 FTEs (Full Time Equivalent employees).

This reduction impacted both district administrators and educators, and it ultimately included 21 staff members who voluntarily made the decision to retire or resign and 14 non-renewals of staff without professional teacher status. Additionally, there was one staff member who is a reduction of force, as there was no vacancy matching their qualifications. Some staff members were transferred to other positions for which they are licensed within the district, and for which they will receive additional professional development. Notably, district enrollment has decreased by approximately 11% over the past decade (while FTEs have remained constant), which informed the decision-making process and enabled the district to make targeted reductions while maintaining reasonable class sizes.

Although this was a difficult task, the careful and thoughtful choices allow the district to maintain all programs and services for students and for families in the coming year and does not change or increase current fees for fine arts, athletics, or middle school extracurricular activities. Class sizes in all grades and schools are projected to be at the mid-range or below the School Committee's class size policy – which is where they were for the 2023-24 school year. Most importantly, families will not see a reduction in key services to our students.

In sum: although these reductions were necessary given the financial constraints, they are manageable without significant impacts to school operations.

Special Town Meeting

In the 30 days since the Annual Town Meeting, the School Committee has discussed the budget imbalance over the course of several hours on 5 separate occasions: at the May 2 School Committee workshop, Tri-Board workshops on May 8 and May 28, and at School Committee meetings on May 16 and May 23. Additionally, input was received from the community via email, at its May 21 informal forum, and during public input sessions at the May 16 and May 23 meetings. An additional informal forum is expected before Special Town Meeting.

The School Committee acknowledges that the intent of the resident's amendment at Annual Town Meeting was to allocate funding to district personnel following the staffing reductions. However, Town Meeting voters do not possess the authority to dictate how, or if, appropriated funds are used. Furthermore, the School Department has worked diligently over many months to produce a responsible and balanced budget that meets student needs, as noted above.

Article 1 would transfer from available Free Cash a supplemental increase of \$1,591,913 to the FY2025 School Department operating budget. This, combined with the aforementioned increase in Chapter 70 state aid, sums to \$1,875,000. **The School Committee voted 3-2 to recommend disapproval of this article.**

Should the Special Town Meeting vote to support Article 1, it is important for voters to understand that these funds will not be used for salaries. Doing so would compound the financial challenges in the district's budget and create larger deficits in future years. Therefore, on May 23, the School Committee voted 4-1 to use potential one-time funding, such as Free Cash, only for one-time expenses – which would expressly not include salaries. Should Free Cash be received by the School Department, there are a limited number of ways to direct such funds, and it is possible that some or all of it may be unused.

Article 2 would amend the original School Department operating budget to \$102,761,421 – which reflects an increase of Chapter 70 state aid in the sum of \$283,087 directed to the School Department. Dr. Parvey has stated that this additional funding would fund approximately 4.0 FTE and would be used to support staffing in strategic areas defined by student need. These areas are, in no particular order: support for multilingual learners, special education instruction and student support, mental health support and counseling services, and support for school buildings in the event that a sudden and unexpected increase in enrollment occurs. Because this additional Chapter 70 funding sustainably supplements the School Department budget to add positions in key areas of changing needs, **the School Committee voted unanimously to recommend approval of Article 2.**

Finally, **Article 3** places \$121,323 into the Finance Committee Reserve Appropriation. Chapter 70 funding is received by the Town, which directs 70% to the School Department and directs the remaining 30% to support education through the Town's budget – for example, to support school building maintenance and library services. The amount in the article represents the 30% of the Chapter 70 increase directed to the Town. **The School Committee voted unanimously to recommend approval of Article 3.**

We acknowledge that these last few months have been challenging. We are grateful to the residents of Andover for their continued commitment to an exceptional education for Andover students.

Sincerely,



Lauren M. Conoscenti, Ph.D., Chair,
Andover School Committee

TOWN OF ANDOVER

TOWN MEETING PROCEDURE AT A GLANCE

To do this...	You say this.....	May you Interrupt Speaker?	Must you Be Seconded?	Is the Motion Debatable?	What vote is required?
Request Information	Point of Information	Yes	No	No	No Vote
Complain about noise, sound, general room conditions, etc....	Point of Privilege	Yes	No	No	No vote
Object to procedure or personal affront	Point of order	Yes	No	No	No vote Chair decides
Introduce Business (a primary motion)	I move that.....	No	Yes	Yes	Majority
Ask for a vote count to verify a vote	I call for a standing count...	No	No	No	No Vote
Amend a motion	I move to amend this motion	No	Yes	Yes	Majority
End Debate <i>Can be denied by Moderator at his/her discretion</i>	I move the question	No	Yes	No	2/3 vote
Reconsider something already disposed of	Meeting only reconsiders a vote if an error has occurred				Chair corrects with proper vote
Recess the meeting	I move that we recess until....	No	Yes	No	Majority
Adjourn the meeting	I move we adjourn	No	Yes	No	Majority

Trouble Hearing? We can help!

Listen Everywhere brings clear audio to your smartphone.

Follow the steps below to install the app and connect to the service, then plug in your earphones or connect to your hearing aid via Bluetooth and choose from the channels offered.

Step 1:

Open the camera app on your smartphone and point the camera at the QR Code below. Tap to connect to the Town of Andover Guest Wi-Fi network.



Step 3:

Point the camera at this QR Code to connect to the venue and launch the Listen Everywhere app.



Step 2:

Point the camera at this QR Code and tap to download and install the Listen Everywhere app.



Step 4:

Plug in your earphones, or connect your hearing aid/cochlear implant via Bluetooth, and enjoy!



For more information please visit the Andover Commission on Disability table.



Epiphan Live Captioning brings transcription to your smartphone and other smart devices.

Follow the steps below to connect to the service.

Step 1:

Open the camera app on your smartphone and point the camera at this QR Code. The Epiphan Live Script service will open.



Step 2:

Live captioning will begin transcribing the spoken words onto your smartphone once the speaker begins speaking.



Epiphan Live Captioning

*Town of Andover
36 Bartlet Street
Andover, MA 01810*

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PLEASE BRING THIS REPORT WITH YOU TO TOWN MEETING

**Tuesday, June 18, 2024
7:00PM**

**COLLINS CENTER
ANDOVER HIGH SCHOOL**